

## EXHIBIT M

[Table of Contents](#)

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
FORM 20-F**

(Mark One)

**REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) or (g)  
OF THE SECURITIES EXCHANGE ACT OF 1934  
OR  
ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended 31 December 2010

**OR  
TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
OR  
SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
Commission file number: 1-6262**

**BP p.l.c.**

(Exact name of Registrant as specified in its charter)

**England and Wales**

(Jurisdiction of incorporation or organization)

**1 St James's Square, London SW1Y 4PD  
United Kingdom**

(Address of principal executive offices)

**Dr Byron E Grote****BP p.l.c.**

**1 St James's Square, London SW1Y 4PD  
United Kingdom**

**Tel +44 (0) 20 7496 4495****Fax +44 (0) 20 7496 4630**

(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act

<u>Title of each class</u>	<u>Name of each exchange on which registered</u>
<b>Ordinary Shares of 25c each</b>	<b>New York Stock Exchange*</b>
<b>Floating Rate Guaranteed Notes due 2011</b>	<b>New York Stock Exchange</b>
<b>Substitute Floating Rate Guaranteed Note due 2011</b>	<b>New York Stock Exchange</b>
<b>1.55% Guaranteed Notes due 2011</b>	<b>New York Stock Exchange</b>
<b>3.125% Guaranteed Notes due 2012</b>	<b>New York Stock Exchange</b>
<b>5.25% Guaranteed Notes due 2013</b>	<b>New York Stock Exchange</b>
<b>3.625% Guaranteed Notes due 2014</b>	<b>New York Stock Exchange</b>
<b>3.875% Guaranteed Notes due 2015</b>	<b>New York Stock Exchange</b>
<b>3.125% Guaranteed Notes due 2015</b>	<b>New York Stock Exchange</b>
<b>4.75% Guaranteed Notes due 2019</b>	<b>New York Stock Exchange</b>
<b>4.5% Guaranteed Notes due 2020</b>	<b>New York Stock Exchange</b>

\*Not for trading, but only in connection with the registration of American Depositary Shares, pursuant to the requirements of the Securities and Exchange Commission

Securities registered or to be registered pursuant to Section 12(g) of the Act.

**None**

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

**None**

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

<b>Ordinary Shares of 25c each</b>	18,796,461,292
<b>Cumulative First Preference Shares of £1 each</b>	7,232,838
<b>Cumulative Second Preference Shares of £1 each</b>	5,473,414

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes ☒No ☐

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes ☐No ☒

Note — Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).\*

Yes ☒No ☐

\*This requirement does not apply to the registrant until its fiscal year ending December 31, 2011.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of “accelerated filer and large accelerated filer” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☒

Accelerated filer ☐

Non-accelerated filer ☐

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

International Financial Reporting  
Standards as issued by the

U.S. GAAP ☐

International Accounting Standards Board ☒

Other ☐

If “Other” has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

Item 17 ☐

Item 18 ☐

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐

No ☒

# Annual Report and Form 20-F 2010



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## What's inside?

BP Annual Report and Form 20-F 2010

### 5 Business review

- 6 [Chairman's letter](#)
- 8 [Board of directors](#)
- 10 [Group chief executive's letter](#)
- 12 [Progress in 2010](#)
- 14 [Group overview](#)
- 34 [Gulf of Mexico oil spill](#)
- 40 [Exploration and Production](#)
- 55 [Refining and Marketing](#)
- 61 [Other businesses and corporate](#)
- 63 [Liquidity and capital resources](#)
- 68 [Corporate responsibility](#)
- 76 [Research and technology](#)
- 78 [Regulation of the group's business](#)
- 81 [Certain definitions](#)

### 83 Directors and senior management

- 84 [Directors and senior management](#)
- 87 [Directors' interests](#)

### 89 Corporate governance

- 90 [Board performance report](#)
- 105 [Corporate governance practices](#)
- 106 [Code of ethics](#)
- 106 [Controls and procedures](#)
- 107 [Principal accountants' fees and services](#)
- 108 [Memorandum and Articles of Association](#)

### 111 Directors' remuneration report

- 112 [Part 1 Summary](#)
- 114 [Part 2 Executive directors' remuneration](#)
- 120 [Part 3 Non-executive directors' remuneration](#)

### 123 Additional information for shareholders

- 124 [Critical accounting policies](#)

[127 Property, plants and equipment](#)  
[127 Share ownership](#)  
[128 Major shareholders and related party transactions](#)  
[129 Dividends](#)  
[130 Legal proceedings](#)

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[133 Relationships with suppliers and contractors](#)  
[134 Share prices and listings](#)  
[135 Material contracts](#)  
[135 Exchange controls](#)  
[135 Taxation](#)  
[137 Documents on display](#)  
[137 Purchases of equity securities by the issuer and affiliated purchasers](#)  
[138 Fees and charges payable by a holder of ADSs](#)  
[138 Fees and payments made by the Depositary to the issuer](#)  
[139 Called-up share capital](#)  
[139 Administration](#)  
[139 Annual general meeting](#)  
[140 Exhibits](#)

## 141 [Financial statements](#)

[142 Consolidated financial statements of the BP group](#)  
[150 Notes on financial statements](#)  
[228 Supplementary information on oil and natural gas \(unaudited\)](#)

[Table of Contents](#)

## Cross reference to Form 20-F

	Page
Item 1. Identity of Directors, Senior Management and Advisors	n/a
Item 2. Offer Statistics and Expected Timetable	n/a
Item 3. Key Information	
A. Selected financial data	23
B. Capitalization and indebtedness	n/a
C. Reasons for the offer and use of proceeds	n/a
D. Risk factors	27-32
Item 4. Information on the Company	
A. History and development of the company	4, 14-15
B. Business overview	14-22, 33-82
C. Organizational structure	220-221
D. Property, plants and equipment	22, 43, 50-54, 127, 247-248
Item 4A. Unresolved Staff Comments	None
Item 5. Operating and Financial Review and Prospects	
A. Operating results	24-26, 34, 41-42, 56-57, 61, 124-127
B. Liquidity and capital resources	63-67
C. Research and development, patent and licenses	76-77, 175
D. Trend information	67
E. Off-balance sheet arrangements	64
F. Tabular disclosure of contractual commitments	65
G. Safe harbor	4
Item 6. Directors, Senior Management and Employees	
A. Directors and senior management	84-87
B. Compensation	112-121, 214-217
C. Board practices	90-104, 214-217
D. Employees	74-75
E. Share ownership	87, 112-118, 127-128, 214-216
Item 7. Major Shareholders and Related Party Transactions	
A. Major shareholders	128-129
B. Related party transactions	129, 183-184
C. Interests of experts and counsel	n/a
Item 8. Financial Information	
A. Consolidated statements and other financial information	129-133, 134, 144-227
B. Significant changes	None
Item 9. The Offer and Listing	
A. Offer and listing details	134
B. Plan of distribution	n/a
C. Markets	134
D. Selling shareholders	n/a
E. Dilution	n/a
F. Expenses of the issue	n/a
Item 10. Additional Information	
A. Share capital	n/a
B. Memorandum and articles of association	108-109
C. Material contracts	135
D. Exchange controls	135
E. Taxation	135-137
F. Dividends and paying agents	n/a
G. Statements by experts	n/a
H. Documents on display	137
I. Subsidiary information	n/a
Item 11. Quantitative and Qualitative Disclosures about Market Risk	185-190, 192-196
Item 12. Description of securities other than equity securities	
A. Debt Securities	n/a
B. Warrants and Rights	n/a
C. Other Securities	n/a
D. American Depositary Shares	138
Item 13. Defaults, Dividend Arrearages and Delinquencies	None
Item 14. Material Modifications to the Rights of Security Holders and Use of Proceeds	None
Item 15. Controls and Procedures	106-107
Item 16A. Audit Committee Financial Expert	97
Item 16B. Code of Ethics	106
Item 16C. Principal Accountant Fees and Services	107
Item 16D. Exemptions from the Listing Standards for Audit Committees	n/a
Item 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers	137
Item 16F. Change in Registrant's Certifying Accountant	None
Item 16G. Corporate governance	105
Item 17. Financial Statements	n/a
Item 18. Financial Statements	144-227, 228-248
Item 19. Exhibits	140

## Table of Contents

### Business review

During the year we further reinforced our financial position. Having taken a total pre-tax charge of \$40.9 billion in relation to the accident and spill, we announced our intention to sell up to \$30 billion of assets. We have already secured almost \$22 billion. We intend to reduce the net debt ratio to within the range of 10-20%, compared with our previously targeted range of 20-30%.

We have made significant changes to the board and I want to acknowledge Tony Hayward and Andy Inglis, who have left the company. Tony stood down as group chief executive on 1 October 2010. The board was saddened to lose someone whose long-term contribution to BP was so widely admired. Andy Inglis stood down on 31 October 2010. Andy was a strong leader of Exploration and Production and a significant contributor to the board.

BP is fortunate to have an exceptional successor to the role of group chief executive. Bob Dudley has spent his working life in the oil industry and has proved himself a robust, successful leader in the toughest circumstances. I am delighted to be working alongside a man of such substance and experience.

Douglas Flint will be standing down at the annual general meeting in April 2011, having taken up a new role as chairman of HSBC Holdings plc. Douglas has chaired our audit committee for the past year. DeAnne Julius will be standing down at the same time, having joined the board in 2001. DeAnne has chaired the remuneration committee since 2005 and is succeeded in that role by Antony Burgmans. Both DeAnne and Douglas have been immensely valuable board members. We thank them and wish them both well.

Boards must evolve if they are to engage effectively with new issues and opportunities. We have acted to strengthen the board of BP to ensure we have the right mix of skills, knowledge and experience as we work to achieve sustainable success in a fast-changing world. In early 2010 we appointed Paul Anderson and Ian Davis as non-executive directors. We have since made three further non-executive appointments. Admiral Frank L 'Skip' Bowman is former head of the US Nuclear Navy and was a member of the Baker Panel that reviewed safety at BP's US refineries. We will benefit from his exceptional experience on safety matters and his knowledge of BP. Brendan Nelson brings vast financial and auditing experience from KPMG, where latterly he was vice chairman. He is eminently well qualified to take over the chair of the audit committee following the annual general meeting. Phuthuma Nhleko will bring deep experience of emerging markets, gained while he was group president and chief executive officer of multinational telephony company MTN Group.

Clearly, after a very troubled and demanding 12 months, BP is a changed company. As a board we have much to do, and we are working with the executive team to ensure successful implementation of a refocused strategy built on the pillars of safety, trust and value creation. Foremost is the need to ensure the right checks and balances are in place across the company. The full board will continue to maintain close oversight of matters related to safety. And we will have even greater engagement on the strategic implications of risk.

Looking ahead, we believe that a growing population and rising levels of prosperity will create strong demand for energy. BP's ability to produce oil and gas from harsh environments means we have a vital contribution to make here. We will also continue to respond to climate change, and to the prospect of fossil fuels becoming a smaller part of the energy mix. For these reasons, BP must continue to be a leader in high-quality hydrocarbons today, while developing the intelligent options we will all rely on tomorrow. Lower-carbon resources remain central to this long-term strategy.

BP is able to help meet the world's growing need for energy, but we can only do this if we have the trust of society. To achieve this, we must ensure that safety and responsibility are at the heart of everything we do. We must show that we can be trusted to understand and manage our risks. And we must demonstrate that we respect the environment and the needs of local communities and society as a whole.

The many strengths of BP are united in our remarkable people, who showed in 2010 that they can rise to the sternest challenge. I thank them for their efforts.

While we face substantial challenges, shareholders must be in no doubt – BP has the determination and strength needed to restore its reputation and deliver long-term shareholder value. Through its refocused strategy, the company is working to become more agile and more competitive, with strong emphasis on realizing value rather than building volume and scale. We will not be afraid to develop new and innovative approaches that redefine the model of an international oil company, as our recently announced partnerships with Rosneft and Reliance demonstrate.

I want to end by thanking shareholders for their support. You have been steadfast through one of the most testing periods in BP's long history. We have learned many lessons about ourselves over the past 12 months, and these will never be forgotten. I believe we will emerge a stronger, wiser company with a very important role to play, for many years to come.



**Carl-Henric Svanberg**  
Chairman  
2 March 2011

 **More on board performance**  
[bp.com/governance](http://bp.com/governance)

Business review

## Table of Contents

Business review

## Group overview

## Our organization

BP is one of the world's leading international oil and gas companies.<sup>a</sup> We operate or market our products in more than 80 countries, providing our customers with fuel for transportation, energy for heat and light, retail services and petrochemicals products for everyday items.

As a global group, our interests and activities are held or operated through subsidiaries, jointly controlled entities or associates established in – and subject to the laws and regulations of – many different jurisdictions. These interests and activities covered two business segments in 2010: Exploration and Production and Refining and Marketing. BP's activities in low-carbon energy are managed through our Alternative Energy business, which is reported within Other businesses and corporate.

Exploration and Production's activities include oil and natural gas exploration, field development and production; midstream transportation, storage and processing; and the marketing and trading of natural gas, including liquefied natural gas (LNG), together with power and natural gas liquids (NGLs). During the fourth quarter of 2010, as part of our wider response to the Gulf of Mexico incident, we decided to reorganize our Exploration and Production segment to create three global functional divisions: Exploration, Developments, and Production, integrated through a Strategy and Integration organization. This is designed to fundamentally change the way the segment operates, with a particular

<sup>a</sup> On the basis of market capitalization, proved reserves and production.

focus on managing risk, delivering common standards and processes and building personnel and technological capability for the future. The Exploration division is accountable for renewing our resource base through access, exploration and appraisal activities. The Developments division is accountable for the safe and compliant execution of wells (drilling and completions) and major projects. The Production division is accountable for safe and compliant operations, including upstream production assets, midstream transportation and processing activities, and the development of our resource base. Divisional activities are integrated on a regional basis by a regional president reporting to the Production division.

Refining and Marketing's activities include the supply and trading, refining, manufacturing, marketing and transportation of crude oil, petroleum and petrochemicals products and related services. The segment comprises a number of strategic performance units (SPUs), which are organized along either geographic or activity-related lines. Each SPU is of a scale that allows for a close focus on performance delivery, starting with safety, and includes the appropriate management of operating and financial parameters.

Our group functions and regions support the work of our segments and businesses. The key objectives of the functions are to establish and monitor fit-for-purpose functional standards across the group; to act as centres of deep functional expertise; to access significant leverage with third-party suppliers; and to establish and maintain capabilities among the functional staff employed within our operating businesses. In addition, the head of each region provides the required cross-segment integration and co-ordination of group activities in a particular geographic area and represents BP to external parties.

In June 2010, following the Gulf of Mexico incident, we established the Gulf Coast Restoration Organization (GCRO) and subsequently equipped it with dedicated resources and capabilities to manage all aspects of our response to the accident. This organization reports directly to the group chief executive and is overseen by a specific new board committee.

Among the changes we have made following the Gulf of Mexico incident, we have redefined and strengthened the scope and accountabilities of the group function for safety and operations, creating an enhanced, independent Safety and Operational Risk (S&OR) function, to oversee and audit the company's operations around the world. The function has its own expert staff embedded in BP's operating units, including exploration projects





[Table of Contents](#)

## Business review

Selected financial information<sup>a</sup>

	\$ million except per share amounts				
	2010	2009	2008	2007	2006 <sup>*</sup>
<b>Income statement data</b>					
Sales and other operating revenues from continuing operations <sup>b</sup>	<b>297,107</b>	239,272	361,143	284,365	265,906
Replacement cost profit (loss) before interest and tax <sup>c</sup>					
By business					
Exploration and Production	<b>30,886</b>	24,800	38,308	27,602	31,026
Refining and Marketing	<b>5,555</b>	743	4,176	2,621	5,661
Other businesses and corporate	<b>(1,516)</b>	(2,322)	(1,223)	(1,209)	(841)
Gulf of Mexico oil spill response <sup>d</sup>	<b>(40,858)</b>	—	—	—	—
Consolidation adjustment – unrealized profit in inventory	<b>447</b>	(717)	466	(220)	65
Replacement cost profit (loss) before interest and taxation from continuing operations <sup>b</sup>	<b>(5,486)</b>	22,504	41,727	28,794	35,911
Inventory holding gains (losses)	<b>1,784</b>	3,922	(6,488)	3,558	(253)
Profit (loss) before interest and taxation from continuing operations <sup>b</sup>	<b>(3,702)</b>	26,426	35,239	32,352	35,658
Finance costs and net finance expense or income relating to pensions and other post-retirement benefits	<b>(1,123)</b>	(1,302)	(956)	(741)	(516)
Taxation	<b>1,501</b>	(8,365)	(12,617)	(10,442)	(12,516)
Profit (loss) from continuing operations <sup>b</sup>	<b>(3,324)</b>	16,759	21,666	21,169	22,626
Profit (loss) for the year	<b>(3,324)</b>	16,759	21,666	21,169	22,601
Profit (loss) for the year attributable to BP shareholders	<b>(3,719)</b>	16,578	21,157	20,845	22,315
Per ordinary share – cents					
Profit (loss) for the year attributable to BP shareholders					
Basic	<b>(19.81)</b>	88.49	112.59	108.76	111.41
Diluted	<b>(19.81)</b>	87.54	111.56	107.84	110.56
Profit (loss) from continuing operations attributable to BP shareholders <sup>b</sup>					
Basic	<b>(19.81)</b>	88.49	112.59	108.76	111.54
Diluted	<b>(19.81)</b>	87.54	111.56	107.84	110.68
Replacement cost profit (loss) for the year <sup>c</sup>	<b>(4,519)</b>	14,136	26,102	18,694	22,823
Replacement cost profit (loss) for the year attributable to BP shareholders <sup>c</sup>	<b>(4,914)</b>	13,955	25,593	18,370	22,537
Per ordinary share – cents					
Replacement cost profit (loss) for the year attributable to BP shareholders <sup>c</sup>	<b>(26.17)</b>	74.49	136.20	95.85	112.52
Dividends paid per share – cents	<b>14.00</b>	56.00	55.05	42.30	38.40
– pence	<b>8.679</b>	36.417	29.387	20.995	21.104
Capital expenditure and acquisitions <sup>e</sup>	<b>23,016</b>	20,309	30,700	20,641	17,231
<b>Ordinary share data<sup>f</sup></b>					
Average number outstanding of 25 cent ordinary shares (shares million undiluted)	<b>18,786</b>	18,732	18,790	19,163	20,028
Average number outstanding of 25 cent ordinary shares (shares million diluted)	<b>18,998</b>	18,936	18,963	19,327	20,195
<b>Balance sheet data</b>					
Total assets	<b>272,262</b>	235,968	228,238	236,076	217,601
Net assets	<b>95,891</b>	102,113	92,109	94,652	85,465
Share capital	<b>5,183</b>	5,179	5,176	5,237	5,385
BP shareholders' equity	<b>94,987</b>	101,613	91,303	93,690	84,624
Finance debt due after more than one year	<b>30,710</b>	25,518	17,464	15,651	11,086
Net debt to net debt plus equity <sup>g</sup>	<b>21 %</b>	20 %	21 %	22 %	20 %

<sup>a</sup> This information, insofar as it relates to 2010, has been extracted or derived from the audited consolidated financial statements of the BP group presented on pages 141-227. Note 1 to the financial statements includes details on the basis of preparation of these financial statements. The selected information should be read in conjunction with the audited financial statements and related notes elsewhere herein.

<sup>b</sup> Excludes Innovene, which was treated as a discontinued operation in accordance with IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations' in 2006.

<sup>c</sup> Replacement cost profit or loss reflects the replacement cost of supplies. The replacement cost profit or loss for the year is arrived at by excluding from profit inventory holding gains and losses and their associated tax effect. Replacement cost profit or loss for the group is not a recognized GAAP measure. The equivalent measure on an IFRS basis is 'Profit (loss) for the year attributable to BP shareholders'. Further information on inventory holding gains and losses is provided on page 81.

<sup>d</sup> Under IFRS these costs are presented as a reconciling item between the sum of the results of the reportable segments and the group results.

<sup>e</sup> Excluding acquisitions and asset exchanges, capital expenditure for 2010 was \$19,610 million (2009 \$20,001 million, 2008 \$28,186 million, 2007 \$19,194 million and 2006 \$16,910 million). All capital expenditure and acquisitions during the past five years have been financed from cash flow from operations, disposal proceeds and external financing. 2008 included capital expenditure of \$2,822 million and an asset exchange of \$1,909 million, both in respect of our transaction with Husky Energy Inc., as well as capital expenditure of \$3,667 million in respect of our purchase of all of Chesapeake Energy Corporation's interest in the Arkoma Basin Woodford Shale assets and the purchase of a 25% interest in Chesapeake's Fayetteville Shale assets. 2007 included \$1,132 million for the acquisition of Chevron's Netherlands manufacturing company. Capital expenditure in 2006 included \$1 billion in respect of our investment in Rosneft.

<sup>f</sup> The number of ordinary shares shown has been used to calculate per share amounts.

<sup>g</sup> Net debt and the ratio of net debt to net debt plus equity are non-GAAP measures. We believe that these measures provide useful information to investors. Further information on net debt is given in Financial statements – Note 36 on page 198.

<sup>\*</sup> As reported in Annual Report on Form 20-F. There was a \$500 million (\$315 million post tax) timing difference between the profit reported under IFRS in the Annual Report and Accounts and the profit reported under IFRS in BP Annual Report on Form 20-F 2006. For further information see BP Annual Report and Accounts 2006.